

WASHINGTON, D.C. – Congresswoman Loretta Sanchez (CA-47) today called for an extension of the increased Federal Medical Assistance Percentage (FMAP) – the share of Medicaid expenditures paid by the federal government. Currently, the federal government pays about 62 cents for every dollar of Medi-Cal services used. This rate will expire at the end of this year, on December 31 unless Congress approves an extension.

“I am extremely disappointed that Congress has failed to approve an extension of FMAP funding,” said Rep. Sanchez. “California, like many states, has wrestled with a struggling economy and heavily depends on federal funding to provide essential social services. Each year, hospitals in my community and across California provide billions of dollars worth of uncompensated care due to shortfalls in federal Medicaid payments. We can’t continue to shortchange local health care providers who already invest so much to help California’s neediest and sickest.”

California hospitals provide more than \$4.6 billion in uncompensated care due to shortfalls in Medicaid payments every year. Part of the economic stimulus package included an increase in the FMAP. The increase has brought vital relief to California at a time when budget cuts threaten the state’s Medicaid program.

Unfortunately, the funding is due to expire on December 31, 2010. Unless an extension is approved, California may not have the funds it needs to implement new programs and requirements under the health care reform law. The state also may not be able to accommodate the estimated 1.8 million people who will be added to California’s Medi-Cal program over the next six months.